CARRY WEALTH HOLDINGS LIMITED
恒富控股有限公司
(Incorporated in Bermuda with limited liability)
Website: http://www.carrywealth.com
(Stock Code: 643)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30TH JUNE, 2008

The board of directors (the "Board") of Carry Wealth Holdings Limited (the "Company") is pleased to present the unaudited consolidated results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30th June, 2008.

MANAGEMENT DISCUSSION AND ANALYSIS

Results and Business Review

For the six months ended 30th June, 2008, the Group reported revenues amounting to HK$448.9 million (2007: HK$614.3 million) and gross profit of HK$98.3 million (2007: HK$128.3 million). Profit attributable to equity holders was HK$3.5 million (2007: HK$32.5 million) and basic earnings per share was 0.94 HK cents for the period under review (2007: 8.94 HK cents). The Board resolved to pay an interim dividend of 2.0 HK cents (2007: 3.0 HK cents) per ordinary share.

Affected by the US economic slowdown and drop in consumer confidence, the first half of 2008 was challenging for the Group. After it exited the under-performing woven bottoms business in mid-2007, the Group has focused on manufacturing of knit products. The turnover of the Group for the period under review declined to HK$448.0 million, a decrease of 26.9% as compared with the previous period, of which 14.8% was attributable to the cessation of woven bottoms business.

During the period under review, Indonesia continued to be the Group's major production base accounting for 75.5% (2007: 73.3%) of the Group's turnover. The factories in El Salvador and Lesotho saw keener competition with customers demanding shorter lead-time for delivery and respectively they contributed 10.9% (2007: 17.2%) and 4.8% (2007: 7.8%) to the Group's total turnover. The factory in Heshan, Mainland China commenced production in 2007 and was responsible for 4.1% of the Group's turnover for the period ended 30th June, 2008 (2007: 0.1%).

Performance of the factory in Heshan, Mainland China was affected by the deteriorating business environment with shortage of skilled labour, rising production costs, reduced export tax rebate rate and appreciation of the Renminbi for the manufacturing industry in Guangdong Province. The factory is expected to take a longer time than anticipated to reach its optimum production scale.

Despite the unfavorable market environment, we are pleased that gross profit margin of the Group for the six months ended 30th June, 2008 improved to 21.9% as compared to 20.9% of the last corresponding period, thanks to the shift of focus and resources onto higher margin knit products. Gross profit of the Group for the period under review was HK$98.3 million (2007: HK$128.3 million) because of the plunge in turnover.

The Group invested in various financial instruments including market linked instruments with initial investments, equity accumulators and market linked instrument with swap arrangement in respect of listed shares of Mainland China enterprises which are mainly constituents of H-Shares Index and Hang Seng Index. The stock markets in Hong Kong and China continued to be volatile affected by the looming US sub-prime mortgage issues during the period under review, the Group recorded other net losses of HK$19.3 million attributable to a loss of HK$2.5 million from the maturity of a market linked instrument with initial investment and the net disposal losses of listed equity securities and HK$16.8 million losses from the fair value losses of listed equity securities, market linked instrument with initial investment, equity accumulators and market linked instrument with swap arrangement held as at 30th June, 2008.

Selling expenses as a percentage of revenues increased mildly from 3.5% in the last corresponding period to 3.7% reflected the higher freight charges resulting from the surge in oil price.

The Group indirectly holds a 40% effective interest in ShanDong WeiQiao HengFu Textile Limited ("SWHT"), which manufactures knitted fabrics. More intense competition in both the textile and apparel manufacturing industries saw SWHT made a turnover of HK$71.9 million and a loss of HK$60,000 for the period under review. The Group's share of net loss of SWHT was HK$20,000 (2007: HK$1.3 million net profit).

Liquidity and Financial Resources

Backed by a conservative financial management system, the Group continued to maintain a healthy and solid liquidity position. As at 30th June, 2008, the Group's cash and cash equivalents and time deposits totalled HK$62.2 million (31st December, 2007: HK$110.0 million). Working capital represented by net current assets amounted to HK$94.9 million (31st December, 2007: HK$119.2 million). The Group's current ratio was 1.4 (31st December, 2007: 1.5).

Bank borrowings, in the form of trust receipt loans, amounted to HK$86.1 million (31st December, 2007: HK$59.2 million) and term loan, amounted to HK$39.9 million (31st December, 2007: HK$46.9 million). The bank loans were denominated in either HK dollars or US dollars. As at 30th June, 2008, the gearing ratio which is calculated as net debt (total borrowings less cash and cash equivalents) divided by equity plus net debt was 16.3% (31st December, 2007: Nil).

The debt maturity profile of the Group as at 30th June, 2008 was as follows:

	At 30th June, 2008 (Unaudited)	At 31st December, 2007 (Audited)
	HK$'000	*HK$'000*
Repayable within one year	**99,520**	72,773
Repayable after 1 year, but within 2 years	**14,000**	12,916
Repayable after 2 years, but within 5 years	**12,552**	20,389
Total	**126,072**	106,078

Capital Expenditure

For the period under review, the Group incurred a total capital expenditure of HK$10.1 million (2007: HK$48.2 million), which was funded using internal financial resources and bank borrowings. An amount of HK$5.8 million was invested in the production facilities in Heshan City, Guangdong Province and the balance of HK$4.3 million was spent on new and replacement machineries for other factories.

Foreign Exchange Exposure

The Group's sales are principally denominated in US dollars. It has factories and offices in Hong Kong, Indonesia, El Salvador, Lesotho and Mainland China. Operating expenses of the Group are primarily denominated in Hong Kong dollars, Indonesia Rupiah, Salvadoran Colones, South African Rand, Renminbi and some in US dollars.

As the Hong Kong dollar and Salvadoran Colone are pegged to the US dollar, the Group does not expect to be exposed to the currency risks arising from these two currencies in the near term. The Group will closely monitor exchange rate fluctuation of other currencies and, if necessary, will enter into forward exchange contracts to reduce exchange risk.

Credit Policy

Consistent with prevailing industry practice, the Group switched trading terms with more customers from letters of credit to open account basis. During the period under review, about 16.9% (2007: 25.4%) of the Group's business was transacted on letters of credit, and the rest on open account basis granted to several long-standing customers. The credit ratings of customers are constantly reviewed and their respective credit limits adjusted, if necessary.

Charges on Fixed Assets

The Group's investment properties in Hong Kong with a carrying value of HK$35.6 million (31st December, 2007: HK$28.3 million) have been pledged to a bank to secure trade facilities of up to HK$140.2 million (31st December, 2007: HK$140.2 million). As at 30th June, 2008, the respective secured bank loans amounted to HK$24.4 million (31st December, 2007: HK$26.2 million).

Contingent Liabilities

As at 30th June, 2008, the Group had no contingent liabilities.

Human Resources and Remuneration Policies

The Group believes the success of its business hinges on employee commitment, thus it spares no effort in providing a harmonious working atmosphere to its employees to encourage dedication to work. The Group offers employees with rewarding careers and provides them with a variety of training programmes. It rewards employees according to prevailing market practices and their experience and performance. To attract and retain high calibre employees, the Group also awards discretionary bonuses and share options to staff.

As at 30th June, 2008, the Group had a total of 6,266 (31st December, 2007: 6,450) full-time employees in the following regions:

Indonesia	3,300
Lesotho	882
El Salvador	520
China (Mainland and Hong Kong)	1,564
Total	6,266

Outlook

Looking forward, the US sub-prime mortgage crisis and global inflation is expected to continue to slow down growth of the global economy. Although the US government has taken various measures to save the ailing economy, those measures have yet to bear results. With consumer confidence weakening, a sluggish US apparel retail market is expected and will transform into pressure from US customers for us to lower product prices and shorten delivery lead-time.

In Mainland China, business will continue to be tough for manufacturers with rising raw materials, energy and labour costs fuelling inflation, shortage of skilled labour and appreciation of the Renminbi. Another round of industry consolidation appears to be inevitable.

Facing these unfavourable market and economic conditions, the Group decided to strategically deploy all its resources on manufacturing knit products last year, which has allowed it to provide better service to customers and achieve optimum use of production facilities. The expanded manufacturing bases of the Group in Mainland China have enabled the Group to offer a wider range of products to a more diverse customer base. Although the Mainland China market is expected to boast enormous potential in the long run braced by rising per capita income and blooming consumer spending, heeding present circumstances, we believe prudence is required in pursuing second phase development of the facility in Heshan. The focus of the Group for the time being is to optimise production efficiency of the first factory.

To maintain competitiveness, the Group is implementing a new ERP system with diverse functions and powerful features including a sophisticated intelligent workflow-control and alert mechanism, which can help the Group strengthen monitoring and management of the entire supply chain and ensure more efficient production.

In addition to putting continuous efforts in boosting the Group's production efficiency, we will also dedicate more resources to strengthening our research and product development capabilities. Our aim is to keep expanding our product offerings and providing more value-added services to our customers and in turn ensuring the Group will be able to cater to fast-changing market needs and stay ahead in the intensive competition.

Threats of deterioration of the equity market and the global economy have weighed down investor confidence in the first half of 2008. With such threats and the US sub-prime loan crisis unsettled and inflation climbing worldwide, the global finance markets are expected to remain volatile in the foreseeable future. The management will thus exercise utmost prudence in pursuing investment in the future.

Looking ahead, the Group will strive to enhance profitability and deliver higher returns to shareholders.

INTERIM DIVIDEND

The Board has declared to pay an interim dividend of 2.0 HK cents (2007: 3.0 HK cents) per ordinary share totalling approximately HK$7,437,000 (2007: HK$11,003,000) to shareholders whose names appear on the Company's register of members at the close of business on Wednesday, 10th September, 2008. The interim dividend is expected to be paid to shareholders on Friday, 19th September, 2008.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed on Tuesday, 9th September, 2008 and Wednesday, 10th September, 2008, during which period no transfer of shares will be effected.

In order to qualify for the interim dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Abacus Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong for registration no later than 4:00 p.m. on Monday, 8th September, 2008.

CONDENSED CONSOLIDATED INCOME STATEMENT

		Six months ended 30th June,	
		2008	2007
		(Unaudited)	(Unaudited)
	Note	***HK$'000***	*HK$'000*
Revenues	*3*	**448,872**	614,340
Cost of sales		**(350,584)**	(486,063)
Gross profit		**98,288**	128,277
Other losses – net	*4*	**(9,916)**	–
Selling expenses		**(16,595)**	(21,669)
Administrative expenses		**(59,033)**	(58,893)
Operating profit	*5*	**12,744**	47,715
Finance income		**1,612**	1,863
Finance costs		**(2,966)**	(3,494)
Share of (losses)/profit of associates		**(281)**	1,250
Profit before income tax		**11,109**	47,334
Income tax expense	*6*	**(7,630)**	(10,455)
Profit for the period		**3,479**	36,879
Attributable to:			
Equity holders of the Company		**3,456**	32,482
Minority interests		**23**	4,397
		3,479	36,879
Earnings per share for profit attributable to the equity holders of the Company during the period			
– basic *(HK cents)*	*7(a)*	**0.94**	8.94
– diluted *(HK cents)*	*7(b)*	**0.93**	8.81
Dividends	*8*	**7,437**	11,003

CONDENSED CONSOLIDATED BALANCE SHEET

	Note	At 30th June, 2008 (Unaudited) HK$'000	At 31st December, 2007 (Audited) HK$'000
ASSETS			
Non-current assets			
Goodwill		**1,100**	1,100
Properties, plant and equipment		**155,606**	152,141
Investment properties		**35,600**	28,300
Leasehold land and land use rights		**13,186**	12,546
Interests in associates		**50,071**	49,154
Deferred income tax assets		**3,298**	2,868
Financial assets	*9*	**8,983**	9,314
		267,844	255,423
Current assets			
Inventories		**89,188**	86,943
Trade and other receivables	*10*	**143,441**	138,788
Financial assets	*9*	**39,757**	12,900
Cash and cash equivalents		**62,157**	109,952
		334,543	348,583
Total assets		**602,387**	604,006
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital		**37,187**	36,777
Other reserves		**46,885**	37,806
Retained earnings			
– Dividend		**7,437**	18,398
– Others		**228,553**	232,730
		320,062	325,711
Minority interests		**8,722**	8,247
Total equity		**328,784**	333,958

	Note	At 30th June, 2008 (Unaudited) HK$'000	At 31st December, 2007 (Audited) HK$'000
LIABILITIES			
Non-current liabilities			
Bank borrowings		**26,552**	33,305
Deferred income tax liabilities		**7,388**	7,384
		33,940	40,689
Current liabilities			
Derivative financial instruments	*11*	**14,136**	12,617
Trade and other payables	*12*	**107,468**	128,333
Income tax payable		**18,539**	15,636
Bank borrowings		**99,520**	72,773
		239,663	229,359
Total liabilities		**273,603**	270,048
Total equity and liabilities		**602,387**	604,006
Net current assets		**94,880**	119,224
Total assets less current liabilities		**362,724**	374,647

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. Basis of preparation

These unaudited condensed consolidated interim financial information for the six months ended 30th June, 2008 have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34, 'Interim Financial Reporting' issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

These unaudited condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31st December, 2007, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS").

2. Accounting policies

Except as described below, the accounting policies adopted are consistent with those of the annual financial statements for the year ended 31st December, 2007, as described in the annual financial statements.

The following new interpretations are mandatory for the financial year beginning on 1st January, 2008.

- HK(IFRIC) – Int 11, 'HKFRS 2 – Group and treasury share transactions'
- HK(IFRIC) – Int 12, 'Service concession arrangements'
- HK(IFRIC) – Int 14, 'HKAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction'

Management has assessed the impact of the above interpretations and considered that HK(IFRIC) – Int 12 is not currently relevant to the Group. The adoption of HK(IFRIC) – Int 11 and HK(IFRIC) – Int 14 did not result in material impact to the Group and did not result in substantial changes to the Group's accounting policies.

The following new standards, amendments to standards and interpretations have been issued but are not yet effective for the financial year beginning 1st January, 2008 and have not been early adopted:

- HKFRS 8, 'Operating segments', effective for annual periods beginning on or after 1st January, 2009.
- HKAS 23 (amendment), 'Borrowing costs', effective for annual periods beginning on or after 1st January, 2009.

- HKFRS 2 (amendment) 'Share-based payment', effective for annual periods beginning on or after 1st January, 2009.

- HKFRS 3 (amendment), 'Business combinations' and consequential amendments to HKAS 27, 'Consolidated and separate financial statements', HKAS 28, 'Investments in associates' and HKAS 31, 'Interests in joint ventures', effective prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1st July, 2009.

- HKAS 1 (amendment), 'Presentation of financial statements', effective for annual periods beginning on or after 1st January, 2009.

- HKAS 32 (amendment), 'Financial instruments: presentation', and consequential amendments to HKAS 1, 'Presentation of financial statements', effective for annual periods beginning on or after 1st January, 2009.

- HK(IFRIC) – Int 13, 'Customer loyalty programmes', effective for annual periods beginning on or after 1st July, 2008.

3. Revenues and segment information

The Group is principally engaged in garment manufacturing and trading. Revenues recognised during the period are as follows:

	Six months ended 30th June,	
	2008	2007
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Turnover		
Sale of garment products	**448,021**	613,486
Other income		
Rental income	**851**	854
	448,872	614,340

The Group's turnover solely arises from garment manufacturing and trading. The Group's customers are located in five main geographical areas namely United States of America, Europe, Canada, Southeast Asia and other countries.

An analysis of the Group's turnover and segment results for the period by geographical segment is as follows:

Primary reporting format – geographical segments by location of customers

	Turnover		**Segment results**	
	Six months ended 30th June,		**Six months ended 30th June,**	
	2008	2007	**2008**	2007
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
United States of America	**402,708**	553,497	**51,003**	69,752
Europe	**9,646**	18,634	**474**	237
Canada	**14,497**	24,124	**799**	3,204
Southeast Asia	**16,797**	7,245	**(2,762)**	90
Other countries	**4,373**	9,986	**224**	218
	448,021	613,486	**49,738**	73,501

	Group	
	Six months ended 30th June,	
	2008	2007
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Segment results	**49,738**	73,501
Unallocated rental income	**851**	854
Unallocated other losses – net	**(9,916)**	–
Unallocated operating expenses	**(27,929)**	(26,640)
Operating profit	**12,744**	47,715
Finance income	**1,612**	1,863
Finance costs	**(2,966)**	(3,494)
Share of (losses)/profit of associates	**(281)**	1,250
Profit before income tax	**11,109**	47,334
Income tax expense	**(7,630)**	(10,455)
Profit for the period	**3,479**	36,879
Capital expenditure	**10,144**	48,227
Depreciation of properties, plant and equipment	**10,214**	7,676
Amortisation of leasehold land and land use rights	**143**	431

4. Other losses – net

	Six months ended 30th June,	
	2008	2007
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Fair value gains on investment properties	**7,300**	–
Fair value losses on financial assets at fair value through profit or loss:		
Listed equity securities		
– maintained on hand	**(14,446)**	–
– disposed	**(928)**	–
Foreign currency linked structured note	**(331)**	–
Market linked instruments with initial investments		
– not yet matured	**(841)**	–
– matured	**(1,551)**	–
	(18,097)	–
Net fair value gains/(losses) on derivative financial instruments:		
Foreign forward exchange contracts	**2,400**	–
Equity accumulators	**409**	–
Market linked instrument with swap arrangement	**(1,928)**	–
	881	–
Total other losses – net	**(9,916)**	–

5. Operating profit

Operating profit is stated after charging the following:

	Six months ended 30th June,	
	2008	2007
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Cost of inventories sold	**350,584**	486,063
Amortisation of leasehold land and land use rights	**143**	431
Depreciation of properties, plant and equipment	**10,214**	7,676

6. Income tax expense

Hong Kong profits tax has been provided at the rate of 16.5% (2007: 17.5%) on the estimated assessable profit for the six months ended 30th June, 2008. Income tax on overseas profits has been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the countries in which the Group operates.

The amount of income tax charged to the income statement represents:

	Six months ended 30th June,	
	2008	2007
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Current income tax:		
– Hong Kong profits tax	**6,733**	7,845
– Overseas income tax	**1,361**	1,438
Deferred income tax	**(464)**	1,172
	7,630	10,455

7. Earnings per share

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30th June,	
	2008	2007
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Profit attributable to equity holders of the Company	**3,456**	32,482
Weighted average number of ordinary shares in issue *(thousands)*	**368,642**	363,402
Basic earnings per share *(HK cents per share)*	**0.94**	8.94

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares that is share options. For the share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

	Six months ended 30th June,	
	2008	2007
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Profit attributable to equity holders of the Company	**3,456**	32,482
Weighted average number of ordinary shares in issue *(thousands)*	**368,642**	363,402
Adjustments for share options *(thousands)*	**1,417**	5,309
Weighted average number of ordinary shares for diluted earnings per share *(thousands)*	**370,059**	368,711
Diluted earnings per share *(HK cents per share)*	**0.93**	8.81

8. Dividends

	Six months ended 30th June,	
	2008	2007
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Interim dividend of 2.0 HK cents (2007: 3.0 HK cents) per ordinary share	**7,437**	11,003

The interim dividend has not been recognised as a liability at the balance sheet date.

The 2007 final dividend of 5.0 HK cents (2006: 6.0 HK cents) per ordinary share, totalling approximately HK$18,594,000 (2006: HK$21,977,000) was paid in May 2008.

9. Financial assets

	At 30th June, 2008 (Unaudited) *HK$'000*	At 31st December, 2007 (Audited) *HK$'000*
Beginning of the period/year	**22,214**	9,184
Additions	**54,977**	15,610
Disposals	**(7,660)**	(6,168)
Maturity of a market linked instrument with initial investment	**(5,094)**	–
Net fair value (losses)/gains on financial assets at fair value through profit or loss *(Note 4)*	**(18,097)**	3,436
Fair value gains on derivative financial instruments *(Note 4)*	**2,400**	130
Fair value gains on available-for-sale financial assets charged to equity	**–**	22
End of the period/year	**48,740**	22,214

Financial assets comprise the following:

	At 30th June, 2008 (Unaudited) *HK$'000*	At 31st December, 2007 (Audited) *HK$'000*
Financial assets at fair value through profit or loss		
Market linked instruments with initial investments *(Note (a))*	**5,021**	12,507
Foreign currency linked structured note *(Note (b))*	**8,983**	9,314
Listed equity securities	**32,050**	107
Derivative financial instrument		
Foreign forward exchange contracts	**2,686**	286
	48,740	22,214
Less: non-current portion		
Foreign currency linked structured note	**(8,983)**	(9,314)
Current portion	**39,757**	12,900

Notes:

(a) Market linked instrument with initial investments

As at 30th June, 2008, this represented an instrument with an initial deposit of approximately HK$7,800,000. Such investment receives interest income. The interest rate is primarily linked to the performance of a basket of underlying listed securities for the remaining life of the contract. The contract will expire on 20th October, 2009. Where one or more of the underlying listed securities are traded below the predetermined knock-in price, the Group has to buy the worst performing security at the predetermined strike price on the maturity date of the contract, with the maximum acquisition amount to be the initial deposit paid of approximately HK$7,800,000. This instrument will be terminated automatically if the closing price of each of the underlying securities is at or above the autocall price on any specified trading day.

(b) Foreign currency linked structured note

This represents a structured note with an initial investment of HK$7,800,000. Its return is linked to a basket of different currencies. The structured note has a maturity of five years, and will be matured in November 2010.

10. Trade and other receivables

	At 30th June, 2008 (Unaudited) *HK$'000*	At 31st December, 2007 (Audited) *HK$'000*
Trade receivables	**128,594**	108,030
Prepayments, deposits and other receivables	**14,847**	30,758
	143,441	138,788

The majority of the Group's sales to customers are on open account basis, with credit terms ranging from 30 to 45 days. The remaining sales are on letter of credit at sight to 90 days.

The ageing analysis of trade receivables is as follows:

	At 30th June, 2008 (Unaudited) *HK$'000*	At 31st December, 2007 (Audited) *HK$'000*
Within 30 days	**72,082**	79,204
31-60 days	**54,459**	27,415
61-90 days	**628**	261
Over 90 days	**1,425**	1,150
	128,594	108,030

11. Derivative financial instruments

	At 30th June, 2008 (Unaudited) *HK$'000*	At 31st December, 2007 (Audited) *HK$'000*
Beginning of the period/year	**12,617**	–
Net fair value losses charged to the income statement *(Note 4)*	**1,519**	12,617
End of the period/year	**14,136**	12,617

Derivative financial instruments comprise the followings:

	At 30th June, 2008 (Unaudited) *HK$'000*	At 31st December, 2007 (Audited) *HK$'000*
Equity accumulators *(Note (a))*	**11,116**	11,525
Market linked instrument with swap arrangement *(Note (b))*	**3,020**	1,092
	14,136	12,617

Notes:

(a) Equity accumulators

They are a series of forward contracts for the Group to accumulate specific units of certain securities according to predetermined prices on every trading day. These contracts will mature in the last quarter of 2008 but they will be terminated automatically if the closing prices of the underlying securities on any specified trading day during the contract periods are at or above the predetermined knock-out prices.

(b) Market linked instrument with swap arrangement

It involves an interest rate swap arrangement with a nominal amount of HK$7,800,000. The contract will expire on 29th October, 2009. Under the swap arrangement, the interest expenses payable by and the interest income receivable by the Group is primarily based on the USD LIBOR floating rate and the performance of a basket of underlying listed securities respectively. Where one or more of the underlying listed securities are traded below the predetermined knock-in price, the Group has to buy the worst performing security at the predetermined strike price on the maturity date of the contract, with the maximum acquisition amount to be approximately HK$7,800,000. This instrument will be terminated automatically if the closing price of each of the underlying securities is at or above the autocall price on any specified trading day.

12. Trade and other payables

	At 30th June, 2008 (Unaudited) ***HK$'000***	At 31st December, 2007 (Audited) *HK$'000*
Trade payables	**50,436**	74,078
Other payables and accruals	**57,032**	54,255
	107,468	128,333

The ageing analysis of trade payables is as follows:

	At 30th June, 2008 (Unaudited) *HK$'000*	At 31st December, 2007 (Audited) *HK$'000*
Within 30 days	**29,392**	56,783
31-60 days	**9,317**	5,855
61-90 days	**5,791**	5,647
Over 90 days	**5,936**	5,793
	50,436	74,078

13. Events after the balance sheet date

As detailed in the circular despatched to the shareholders of the Company on 18th March, 2008, the Group has disposed all of its investment properties to an independent third party at a consideration of HK$35,600,000. The disposal was completed on 14th August, 2008.

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company has not redeemed any of its shares during the period under review. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the period.

AUDIT COMMITTEE

The Audit Committee has reviewed the Group's unaudited interim results for the six months ended 30th June, 2008. The Audit Committee comprises all of the three independent non-executive directors, namely Mr Cheung Kwok Ming, Mr Kwok Lam Kwong, Larry, *J.P.* and Mr Lau Siu Ki, Kevin.

CORPORATE GOVERNANCE

The Company has complied with the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the six months ended 30th June, 2008.

The Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules (the "Model Code"). Having made specific enquiry of all directors of the Company, all directors have confirmed that they had complied with the required standard set out in the Model Code and the Company's code of conduct regarding directors' securities transactions during the period under review.

To enhance the corporate governance of the Group as a whole, all relevant employees who are likely to be in possession of unpublished price sensitive information in relation to the Group or securities of the Company are subject to full compliance with written guidelines on no less exacting terms than the Model Code. No incident of non-compliance was noted by the Company during the period under review.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This announcement of interim results is published on the Company's website (http://www.carrywealth.com) and HKExnews website (http://www.hkexnews.hk). The Interim Report of the Company containing all the information required by the Listing Rules will be despatched to the shareholders and available on the same websites in due course.

BOARD OF DIRECTORS

As at the date of this announcement, the Board of the Company comprises Mr Rusli Hendrawan, Mr Lee Sheng Kuang, James, Mr Oey Tjie Ho and Mr Tang Chak Lam, Charlie, being executive directors; and Mr Cheung Kwok Ming, Mr Kwok Lam Kwong, Larry, *J.P.* and Mr Lau Siu Ki, Kevin, being independent non-executive directors.

On behalf of the Board
Rusli Hendrawan
Chairman

Hong Kong, 20th August, 2008